

NAVFACINST 11300.2E
FAC 11R/SD
9 December 1996

NAVFAC INSTRUCTION 11300.2E

From: Commander, Naval Facilities Engineering Command

Subj: POLICY AND PROCEDURES FOR REGULATORY RATE INTERVENTION

Ref: (a) The Federal Property and Administrative Services Act of 1949, as amended

Encl: (1) Rate Intervention Mission and Functions
(2) Responsibilities of the EFD's in Support of Rate Intervention Efforts

1. Purpose

To update the organization, mission and procedures for the Navy Rate Intervention office, NAVFACENGCOMHQ (FAC-11R), participation in utility rate proceedings before municipal, state, and federal regulatory authorities in conformity with the requirements of reference (a).

2. Cancellation

NAVFACINST 11300.2D of 11 August 1989 is hereby superseded and canceled.

3. Policy

NAVFACENGCOM is responsible for ensuring that the Navy pays equitable rates for purchased utility services. The policy of this Command is to ensure that the Navy obtain the best possible utility rates that are fair, non-discriminatory, and cost-justified.

4. Procedural Issues

a. The Navy Rate Intervention office is part of NAVFACENGCOMHQ (FAC-11R). It is physically located at EFA-Chesapeake. Its mission and functions are contained in enclosure (1).

b. In utility regulatory rate proceedings, the Navy's participation shall be through NAVFACENGCOMHQ (FAC-11R) and the legal counsel assigned to the case. Informal discussions with regulatory authority and utility company personnel remain available to the Engineering Field Division (EFD) personnel within that limitation following consultation with NAVFACENGCOMHQ (FAC-11R).

c. In accordance with the requirements of reference (a), Navy's authority to appear before regulatory authorities is subject to appropriate delegation by the General Services Administrator (GSA) to the Secretary of Defense. NAVFACENGCOMHQ (FAC-11R) shall identify the issues to be challenged in a utility rate application and determine the need for authority to intervene before the appropriate regulatory body. NAVFACENGCOMHQ (FAC-92) shall be responsible for obtaining the delegation of authority. In performing this delegation, NAVFACENGCOMHQ (FAC-11R) represents not only the interests of the Navy, but other military departments and Federal executive agencies as well.

5. Action

a. The Commanders/Commanding Officers of EFD's shall be responsible for monitoring proposed rate changes in their geographic areas of responsibility. They will advise NAVFACENGCOMHQ (FAC-11R) of all proposed rate changes and shall provide it with the support as outlined in enclosure (2).

b. The director, Navy Rate Intervention office, NAVFACENGCOMHQ (FAC-11R), shall establish and implement procedures in accordance with this instruction to ensure effective participation of the Navy in utility rate-making proceedings.

c. Counsel, NAVFACENGCOMHQ (FAC-92), with appropriate coordination with the Office of General Counsel of the Navy and GSA, shall provide and manage legal support for the intervention effort.

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Vice Commander

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NAVY RATE INTERVENTION OFFICE
MISSION AND FUNCTIONS

MISSION

- To protect the Navy's interests in utility rate-making.
- To provide technical support for Navy representations before municipal, state, and federal utility regulatory authorities.
- To participate fully in the proceedings and hearings of utility regulatory authorities as they affect Navy utility suppliers.
- To provide a coordinated approach to utility regulatory matters within the Command, the Military Departments and other Federal Executive Agencies.
- To provide advice and assistance to NAVFACENGCOM on all matters affecting utility rates.

Enclosure (1)

NAVY RATE INTERVENTION OFFICE
MISSION AND FUNCTIONS

FUNCTIONS

- Proposes and implements major policies affecting Navy's utility regulatory intervention efforts.
- Determines the necessity for intervention, manages all aspects of rate intervention, and is the representative of the Navy in such proceedings, also representing other Military Departments (MILDEP's) and Federal Executive Agencies (FEA's) in cases where Navy has the lead.
- Establishes the requirements for expert contractors' support, scopes of work and contractor evaluation criteria and recommends selection of best qualified contractors.
- Decides on the issues to be addressed by Navy witnesses and gathers all pertinent data necessary for the furtherance of Navy's interests in establishing utility rates.
- Coordinates the input of the GSA and other MILDEP's for the most beneficial outcome to the Government.
- Prepares testimony, exhibits, surrebuttal testimony, or any other financial, accounting, or engineering economics schedules as necessary and presents the best case on behalf of the Navy, other MILDEP's, and the FEA.
- Provides technical assistance to Navy legal counsel in litigation of utility matters.
- Reviews and analyzes interim and final opinions, orders, and court decisions and determines cost avoidance and appropriate future actions.
- Conducts cost of service or other special studies dealing with utility economics and operations and provides technical advice on utility rates for Navy's negotiations.

Enclosure (1)

RESPONSIBILITIES OF THE EFD'S
IN SUPPORT OF RATE INTERVENTION EFFORTS

- Within their geographical areas, the EFD's shall monitor proposals for utility rate changes and shall immediately notify NAVFACENGCOMHQ (FAC-11R) of same so as to maximize the time it needs to perform the necessary analysis.
- The affected EFD shall obtain at least one copy of each proposal/application and the supporting data filed by the utility with the regulatory authorities and forward same to NAVFACENGCOMHQ (FAC-11R) as soon as possible.
- Where utility rate proposals are submitted directly to an activity, the cognizant EFD shall immediately forward to NAVFACENGCOMHQ (FAC-11R) complete copies of all documents received for analysis and determination of the degree of support it can provide to the EFD's negotiating team.
- The EFD's shall provide NAVFACENGCOMHQ (FAC-11R), upon request, with operating statistics and copies of the bills or other data pertinent to the services of subject utility.
- EFD's, in coordination with NAVFACENGCOMHQ (FAC-11R), shall cooperate fully with other FEA's and MILDEP's in their conduct of the Government's utility rate intervention efforts.

Enclosure (2)